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IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

THERESA HOLBROOK KRAFT,

et al.,

Plaintiffs,

vs.

SHANNON LANEY, et al.,

Defendants.

No. CIV. S-04-129 GGH

ORDER APPROVING
SETTLEMENT

The petition for approval of settlement of Karen Susan Holbrook, the guardian ad litem of minor plaintiffs Rachel Mary Holbrook, Sarah Elizabeth Kraft, and Jeffrey Paul Kraft, was submitted to the court for approval.

The court having reviewed the petition and its attachment, for good cause, finds that it is in the best interests of minors Rachel Mary Holbrook, Sarah Elizabeth Kraft, and Jeffrey Paul Kraft, that this action be settled for the amount hereafter stated and that the proceeds of such settlement be paid and used in the manner specifically provided.

IT IS THEREFORE ORDERED THAT:

A. The settlement of this action is hereby approved in the amount of \$325,000. The estate of Paul Kraft, deceased, shall receive nothing.

B. Defendants shall disburse the amount of \$325,000 by one or more checks or warrants drawn payable to the order of "Amitai Schwartz, Attorney Trust Account," which shall be paid from said trust account within 20 days of delivery to the respective party or parties entitled to receive payment as follows:

(1) Litigation expenses which are hereby fixed and allowed to Amitai Schwartz in the amount of \$61,341.90;

(2) Attorney's fees which are hereby fixed and allowed to Amitai Schwartz in the amount of \$87,886.03;

(3) Net settlement proceeds in the amount of \$85,000.00 shall be set aside and used to purchase a single annuity with monthly payouts guaranteed for a period of 10 years, for the joint benefit of Rachel Holbrook, Sarah Kraft, and Jeffrey Kraft while they are under the care of their mother, Theresa Kraft, during their minority, with Theresa Kraft as payee; said annuity to be issued by a life insurance company rated no less than "A" by A.M. Best Company;

(4) Net settlement proceeds in the amounts of \$15,000, \$13,000, and \$11,000 shall be invested for the benefit of Rachel Mary Kraft (\$15,000), Sarah Elizabeth Kraft (\$13,000), and Jeffrey Paul Kraft (\$11,000) in a federally insured bank or savings institution pursuant to the Uniform Transfers to Minors Act for their benefit, with Theresa H. Kraft and Rudolph G. Kraft as joint custodians, if permitted by Oregon law, otherwise either may serve as custodian, or, in the alternative, pursuant to any valid trust instrument or order of any court of competent jurisdiction of the State of Oregon governing the use and control of said funds;

(5) Net settlement proceeds in the amount of \$17,500.00 to the County of El Dorado, California in full settlement of the claims for costs and

1 attorneys fees of defendants County of El Dorado and Donald Atkinson.

2 (6) Net settlement proceeds in the amount of \$1,384.00 shall be
3 paid to CMRE Financial Corporation to satisfy its claim for physicians services at
4 Barton Memorial Hospital.

5 (7) The remainder of the net settlement proceeds shall be paid to
6 Theresa H. Kraft, less any amount due to the State of California Department of
7 Health Services which shall be paid directly to the State of California Department
8 of Health Services.

9 C. Nothing herein shall affect any obligation of Theresa H. Kraft or any
10 other person to support the minors, Rachel Mary Kraft, Sarah Elizabeth Kraft, and
11 Jeffrey Paul Kraft.

12 D. The provisions of paragraphs B(3) and B(4) of this order, setting forth
13 the terms and conditions on the control and use of the net proceeds of the
14 settlement, may be modified by any court of competent jurisdiction of the State of
15 California, or the State of Oregon, without further order of this court.

16 E. Plaintiffs' Attorney, Amitai Schwartz, is hereby ordered to file a
17 declaration with this court, under penalty of perjury, within 30 days of receipt of
18 funds from the defendants certifying that the disbursements specified herein have
19 been made in the manner herein specified.

20 F. Theresa H. Kraft is hereby ordered to file a declaration with this
21 court, under penalty of perjury, within 30 days of receipt of funds from the
22 defendants certifying that the investments specified herein have been made in the
23 manner herein specified.

24 G. Karen Susan Holbrook is hereby discharged as guardian ad litem.

25 IT IS SO ORDERED.

26 Dated: 10/20/05

/s/ Gregory G. Hollows

27 Gregory G. Hollows
28 United States Magistrate Judge

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